



Health Services
LOS ANGELES COUNTY

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Board of Supervisors**

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July 6, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AN ASSIGNMENT AND DELEGATION AMENDMENT
AND AMENDMENT NO. 1 TO THE MEDI-CAL RESOURCE
DEVELOPMENT AND RECOVERY SERVICES AGREEMENTS
WITH COMPSPEC, INC. AND HEALTH ADVOCATES, LLP
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee to sign an Assignment and Delegation Amendment, substantially similar to Exhibit I, to allow Health Advocates, LLP to assign and delegate its rights and responsibilities to Health Advocates, LLC.
2. Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 1 to the Medi-Cal Resource Development and Recovery Services Agreements, substantially similar to Exhibit II, with two contract providers, CompSpec, Inc. (County Contract No. H-700690), and Health Advocates, LLC (County Contract No. H-700691), to add provisions allowing CompSpec, Inc. and Health Advocates, LLC to: 1) pursue third party liabilities for trauma services provided by contracted trauma facilities in which County has subrogation or reimbursement rights for medical services provided; and 2) include additional requirements for submitting account compromise offers, effective on the date of Board approval through August 31, 2009.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

Approval of the recommended actions allows: 1) Health Advocates, LLP to assign and delegate its rights and responsibilities under Agreement No. H-700691 to Health Advocates, LLC (HA); and 2) CompSpec, Inc. (CompSpec) and HA to pursue third party liability payments for which the County has subrogation or reimbursement rights, and specifically include provisions to the Agreements for submitting compromise offers.

To implement various health care programs, the Department of Health services (DHS or Department) enters into agreements with non-County providers to pay for health care services provided to certain specified populations, such as trauma victims, indigent patients of private emergency rooms, In-Home Supportive Services workers,

or other enrollees within the Community Health Plan. These agreements may give DHS the right to pursue payment from other responsible parties for the care for which the County is contractually obligated to pay.

FISCAL IMPACT/FINANCING:

The two Medi-Cal Resource Development and Recovery Services (MRDRS) contractors generate approximately \$8.0 million in gross revenue annually, of which approximately \$1.2 million is paid to the contractors in contingency fees. The contingency fee rates for the two contractors will remain the same.

While the net financial benefit associated with adding contracted trauma facility cases to the scope of these agreements is projected to be minimal, this action will enable the Department to maximize replenishment of the County Trauma Fund.

The costs and revenues related to these Agreements are included in the Fiscal Year 2006-07 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On August 17, 2004, both CompSpec and HA were awarded MRDRS agreements with County hospitals, health centers, and comprehensive health centers, as a result of a Request for Proposals process. Once a DHS facility has exhausted its best efforts in assisting indigent patients to identify any third-party financial resources, e.g., Medi-Cal, Medicare, Commercial Insurance, Workers' Compensation, etc., the contractors have the opportunity to identify other resources and assist in obtaining patient eligibility for third party coverage.

MRDRS provides a back-up or "safety net" function to the Department's financial screening and Medi-Cal application processes to help ensure that potential third-party revenues (primarily Medi-Cal) are maximized. Accounts are referred to the MRDRS contractors only after the best efforts of DHS staff have been exhausted.

On April 7, 2006, Health Advocates, LLP informed the Department that they were undergoing a change of business model and a change of name from a "Limited Liability Partnership" to a Limited Liability Company, i.e., from HA, LLP to HA, LLC.

Amendment No. 1 will allow CompSpec and HA to pursue third party liabilities for services provided by contracted trauma facilities in cases where the County has paid for the services provided and has subrogation rights, and also includes additional requirements for submitting account compromise offers.

County Counsel has approved Exhibits I and II as to form.

Attachment A provides additional information.

CONTRACTING PROCESS:

Not applicable. It is not appropriate to advertise contractor assignment and delegation and/or agreement amendments on the Los Angeles (L.A.) County Online Web Site as a contract/business opportunity.

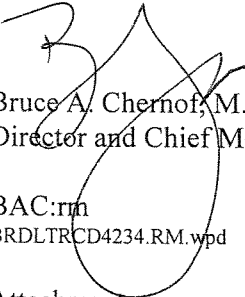
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July 6, 2006
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IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommendations will enhance revenue maximization activities.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:rm
BRDLTRCD4234.RM.wpd

Attachments

c: Auditor-Controller
Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE:

Medi-Cal Resource Development and Recovery Services (MRDRS) Agreements with CompSpec, Inc. and Health Advocates, LLC to pursue third party liability payments for which the County has subrogation or reimbursement rights, and provisions to submit compromise offers.

2. AGENCY ADDRESS AND CONTACT PERSONS :

CompSpec, Inc. (CompSpec)
425 East Colorado Street, Suite 410
Glendale, California 91205
Telephone (800) 543-3003/FAX (818) 548-069
E-mail bhaddad@compecinc.com

Health Advocates, LLC (HA)
13412 Ventura Boulevard, Suite 300
Sherman Oaks, California 914-3965
Attention: Al Leibovic Managing Partner/Attorney
Telephone: (818) 461-5801/FAX (818) 995-9599
E-mail Al@healthadvocates.com

3. TERM:

Effective date of Board approval through August 31, 2009.

4. FINANCIAL INFORMATION:

The two Medi-Cal Resource Development and Recovery Services (MRDRS) contractors generate approximately \$8.0 million in gross revenue annually, of which approximately \$1.2 million is paid to the contractors in contingency fees. The contingency fee rates for the two contractors will remain the same.

While the net financial benefit associated with adding contracted trauma facility cases to the scope of these agreements is projected to be minimal, this action will enable the Department to maximize replenishment of the County Trauma Fund.

The costs and revenues related to these Agreements are included in the Fiscal Year 2006-07 Proposed Budget.

5. GEOGRAPHIC AREAS SERVED:

Countywide.

6. ACCOUNTABLE FOR MONITORING:

Patricia Adams, Division Head, Revenue Management, Department of Health Services

7. APPROVALS:

Director of Finance: Gary W. Wells

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel (approval as to form): Robert E. Ragland, Senior Deputy County Counsel

Exhibit I

Contract No. H700691

ASSIGNMENT AND DELEGATION AMENDMENT

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this _____ day
of _____, 2006,

by and between	COUNTY OF LOS ANGELES (hereafter "County"),
and	HEALTH ADVOCATES, LLP (hereafter "HALLP")
and	HEALTH ADVOCATES, LLC (hereafter "HA")

WHEREAS, HALLP provides services to County pursuant to a Medi-Cal Resource Development and Recovery Services (MRDRS) Agreement with County, which was adopted by County's Board of Supervisors on August 17, 2004, further identified as County Contract No. H700691, and any amendments thereto, (all hereafter referred to as "Contract"); and

WHEREAS, it is the desire of HALLP to assign and delegate all its rights, duties, obligations, responsibilities and interest, under said Contract to HA; and HA desires to assume

such rights, and duties, obligations, responsibilities and interest, under said Contract; and

WHEREAS, HALLP and HA have requested County to consent to the assignment and delegation of all such rights, duties, obligations, responsibilities and interest, under said Contract; and;

WHEREAS, under the terms of Contract, such assignment and delegation of Contract, must be in writing and must be approved by County.

NOW, THEREFORE, the parties hereto agree as follows:

1. All rights, duties, obligations, responsibilities, and interests, under said Contract, to provide MRDRS between HALLP and County, shall be assigned and delegated to HA.

2. HA agrees to assume and receive from HALLP all rights, duties, obligations, responsibilities, and interests, in said Contract, to provide MRDRS, which the parties agree shall be effective April 7, 2006.

3. HA agrees to abide by all terms and conditions to said Contract for MRDRS between HALLP and County.

4. HALLP and HA agree that County shall not pay any additional monies for the provision of MRDRS by either HALLP or HA as a result, or in the absence of, this Assignment and Delegation Agreement.

5. County consents to the assignment and delegation of the rights, and duties, obligations, responsibilities and interests, of HALLP as described in said Contract to HA pursuant to this Assignment and Delegation of Agreement.

6. This Assignment and Delegation Amendment shall constitute the complete understanding between County, HALLP and HA, as it relates to the subject matter of this Assignment and Delegation Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Assignment and Delegation Agreement to be subscribed by its Director of Health Services and HALLP and

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HA, each have caused this Assignment and Delegation Agreement to be subscribed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.,
Director and Chief Medical
Officer

HEATH ADVOCATES, LLP
Contractor-Assignor/Delegator

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
Raymond G. Fortner, Jr.
County Counsel

By _____ Deputy Health Advocates LLC
Contractor - Designee

APPROVED AS TO CONTRACT
ADMINISTRATION: BY _____
Signature

Department of Health Services _____
Print Name

By _____ Title _____
Cara O'Neill, Chief
Contract and Grants Division

05/12/06
del&assign.rm

EXHIBIT II

Contract No. H-_____

MEDI-CAL RESOURCE DEVELOPMENT AND RECOVERY SERVICES AGREEMENT

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this _____ day
of _____, 2006,

by and between COUNTY OF LOS ANGELES (hereafter
"County"),

and _____
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled
"MEDI-CAL RESOURCE DEVELOPMENT AND RECOVERY SERVICES AGREEMENT",
dated August 17, 2004, and further identified as County Agreement
No. H-_____, (hereafter "Agreement"); and

WHEREAS, in addition to providing services directly to
patients, County pays for services provided to certain County
responsible patients through its Emergency Medical Services
("EMS") Agency; and

WHEREAS, it is the intent of the parties hereto to amend the
Agreement to clarify the rights and responsibilities of each
party, related to accounts referred from the EMS Agency; and

WHEREAS, said Agreement provides that changes may be made in

the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall be effective upon the date of Board approval.

2. Paragraph 9, Insurance Coverage Requirements, shall be replaced in its entirety to now read as follows:

"9. INSURANCE COVERAGE REQUIREMENTS:

A. General Liability Insurance (written on Insurance Services Office ["ISO"] policy form "CG 00 01" or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 Million
Products/Completed Operations Aggregate:	\$1 Million
Personal and Advertising Injury:	\$1 Million
Each Occurrence:	\$1 Million

B. Automobile Liability Insurance (written on ISO policy form "CA 00 01" or its equivalent) with a limit of liability of not less than \$1 Million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

C. Workers' Compensation and Employers' Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 Million
Disease - Policy Limit:	\$1 Million
Disease - Each Employee:	\$1 Million

D. Professional Liability Insurance covering liability arising from error, omission, negligent or wrongful act of Contractor, its officers or employees with limits of not less than \$1 Million per occurrence and \$3 Million aggregate. The coverage also shall provide an extended two (2) year reporting period commencing upon expiration or earlier termination or cancellation of this Agreement.

E. Crime Coverage: Insurance in an amount not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the County as loss payer.

Employee Dishonesty:	\$1 Million
Forgery or alterations:	\$1 Million
Theft, Disappearance and Destruction:	\$1 Million"

3. Paragraph 10, Delegation and Assignment, shall be replaced in its entirety to now read as follows:

"10. ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this subparagraph, County consent shall require a written amendment to this Agreement which is formally approved and executed by the parties. Any payments by County to any approved assignee or delegate on any claim under this Agreement, shall be deductible, at County's sole discretion, against the claims which the Contractor may have against County.

B. Shareholders, partners, members, or other equity holders of contractor may transfer, sale, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such

transfer, sale, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, delegation, subcontract, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could."

4. Paragraph 31, Contractor Responsibility and Debarment, shall be replaced in its entirety to now read as follows:

"31. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor under this Agreement, or other contracts, which indicates that Contractor is not responsible, County may or otherwise in addition to other remedies provided under this Agreement, debar Contractor from bidding or proposing on, or being awarded and/or performing work on, County contracts for a specified period of time, which generally will not exceed five (5) years, but may exceed five (5) years, or be permanent if warranted by the circumstances, and terminate this Agreement and any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of this Agreement or other contract with County, or a non-profit corporation created by County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness, or capacity to perform a contract with County, any public entity, or a non-profit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, Director will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before County's Contractor Hearing Board.

E. County's Contractor Hearing Board will conduct a hearing where evidence on proposed

debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, County's Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and Director shall be provided an opportunity to object to the proposed decision prior to its presentation to County's Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of County's Contractor Hearing Board shall be presented to County's Board of Supervisors. County's Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of County's Contractor Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor

may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment.

County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed, (2) a bona fide change in ownership or management, (3) material, or (4) any other reason that is in the best interest of County.

H. County's Contractor hearing Board will consider a request for review of a debarment determination only where (1) Contractor has been debarred for a period longer than five (5) years, (2) the debarment has been in effect for at least five (5) years, and (3) the request is in writing, states one or more of the grounds for reduction of the debarment, and includes supporting documentation. Upon receiving as appropriate request, County's Contractor Hearing Board will provide notice of the hearing on the request. At

the hearing, County's Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by County's Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

County's Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. County's Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the County's Contractor Hearing Board.

I. These terms shall also apply to any subcontractors/consultants of County contractors."

5. Paragraph 13, Contractor's Obligations as a Business Associate Under the Health Insurance Portability and Accountability Act OF 1996 ("HIPAA"), of the ADDITIONAL

PROVISIONS shall be replaced in its entirety to now read as follows:

"13. CONTRACTOR'S OBLIGATIONS AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 ("HIPAA") shall be amended to read as follows: Under this Agreement, Contractor (also known herein as "Business Associate") provides services ("Services") to County (also known herein as "Covered Entity") in which Business Associate receives, has access to, or creates, Protected Health Information and/or Electronic Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 (together, the "Privacy and Security Regulations").

Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of

Protected Health Information, and those Privacy and Security Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place.

Therefore, the parties agree to the following:

A. DEFINITIONS:

(1) "Disclose" and "Disclosure" means, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner Protected Health Information which is outside of Business Associate's internal operations or to other than its employees.

(2) "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103.

Further, Electronic Media means: (a) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (b) Transmission media used to exchange information already in electronic storage media. Transmission media includes, for example, the internet (wide-open), extranet (using internet technology to link a business with information

accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile ("FAX"), and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission. The term "electronic media" draws no distinction between internal and external data, at rest (that is, in storage), as well as, during transmission.

(3) "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Further, Electronic Protected Health Information means protected health information that is: (a) transmitted by electronic media, and (b) maintained in electronic media.

(4) "Individual" means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

(5) "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that; (a) relates to the past, present, or future, physical or mental health, or condition of an Individual; the provision of health care to an Individual, or the past, present, or future, payment for the provision of health care to an Individual; (b) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (c) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.

(6) "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court ordered warrants;

subpoenas or summons issued by a court, a grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

(7) "Security Incident" means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.

(8) "Services" has the same meaning as used in the body of this Agreement.

(9) "Use" or "Uses" means, with respect to Protected Health Information, the analysis, application, employment, examination, sharing, or utilization of such information within Business Associate's internal operations.

(10) Terms used, but not otherwise defined, in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

B. OBLIGATIONS OF BUSINESS ASSOCIATE:

(1) Permitted Uses and Disclosures of Protected Health Information: Business Associate:

a. Shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in this Paragraph's Sections, B.(3), B.(4), B.(5), B.(6), B.(7), B.(8), Subparagraph, D.(3), and Subparagraph, E.(2) of this Agreement;

b. Shall Disclose Protected Health Information to Covered Entity upon request;

c. May, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

1) Use Protected Health Information; and

2) Disclose Protected Health Information

if the Disclosure is Required By Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

(2) Adequate Safeguards for Protected Health Information: Business Associate:

a. Shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

b. Effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

(3) Reporting Non-Permitted Use or Disclosure and Security Incidents: Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its officers, employees, agents, representatives, or subcontractors, but is not specifically permitted by this Agreement, as well as, effective April 20, 2005, each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to Covered Entity's Departmental Privacy Officer at 1-(800) 711-5366 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use, Disclosure, or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use, Disclosure, or Security Incident to the Covered Entity's Chief Privacy Officer, at: Chief Privacy Officer, Kenneth Hahn Hall of Administration, 500 West Temple Street, Suite 525, Los Angeles, California 90012.

(4) Mitigation of Harmful Effect: Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate

of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.

(5) Availability of Internal Practices, Books and Records to Government Agencies: Business Associate agrees to make its internal practices, books, and records, relating to the Use and Disclosure of Protected Health Information, available to the Secretary of the federal Department of Health and Human Services ("DHHS") for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

(6) Access to Protected Health Information: Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information, specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health

Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

(7) Amendment of Protected Health Information:

Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

(8) Accounting of Disclosures: Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its officers, employees, agents, representatives, or subcontractors. However, Business Associate is not

required to provide an accounting of Disclosures that are necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.

Any accounting provided by Business Associate under this Subparagraph B.(8) shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Subparagraph B.(8), Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Subparagraph B.(8) to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

C. OBLIGATION OF COVERED ENTITY: Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

D. TERM AND TERMINATION:

(1) Term: The term of this Paragraph, shall be the same as the term of this Agreement. Business Associate's obligations under this Paragraph's subparagraph(s) B.(1) (as modified by Subparagraph D.(2)), B.(3), B.(4), B.(5), B.(6), B.(7), B.(8), Subparagraph D.(3) and Subparagraph E.(2) shall all survive the termination or expiration of this Agreement.

(2) Termination for Cause: In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

- a. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate

does not cure the breach or end the violation within the time specified by Covered Entity;

b. Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

c. If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary of the federal DHHS.

(3) Disposition of Protected Health Information Upon Termination or Expiration:

a. Except as provided in Sub-subparagraph b. of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity or created, or received, by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of agents, representatives, or subcontractors, of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

b. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make it infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement, to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

E. MISCELLANEOUS:

(1) No Third Party Beneficiaries: Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assignees, any rights, remedies, obligations, or liabilities whatsoever.

(2) Use of Agents, Representatives, and/or Subcontractors: Business Associate shall require each of its agents, representatives, and/or subcontractors, that receive Protected Health

Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent, representative, and/or subcontractor to comply with all the terms of this Paragraph.

(3) Relationship to Services Agreement Provisions:

In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control.

Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.

(4) Regulatory References: A reference in this Paragraph to a section in the Privacy and Security Regulations means the section as currently in effect, or may hereafter be amended.

(5) Interpretation: Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy Regulations..

(6) Amendment: The parties agree to take such action as is necessary to amend this Paragraph from

time to time as is necessary for Covered Entity to
comply with the requirements of the Privacy."

6. Exhibit A, (Statement of Work), Paragraph 1,
Definitions, Subparagraph "C", Facility(ies), shall be amended to
read as follows:

"C. Facility(ies): A Facility is a County of Los
Angeles - Department of Health Services facility or EMS
Agency that provides healthcare services."

7. Exhibit "A", (Statement of Work), Paragraph 5,
Subparagraph "B", Scope of Work, shall be amended to read as
follows:

"B. Contractor agrees in performing services as
described herein, that Director may pursue, at his sole
discretion throughout the term of this Agreement, refer to
Contractor for processing the following Accounts: Facility
inpatient and/or outpatient accounts (i.e. Referred
Accounts[s]) that have been initially identified as Self-Pay
or Short-Doyle only, have been or will be denied Medi-Cal
eligibility and subsequently identified as Self-Pay, and/or
accounts from non-county providers under an agreement with
County to provide health care services where County has
subrogation or reimbursement rights for medical services
provided. Director, at his sole discretion, shall provide

Contractor with all available data Director deems pertinent related to the processing of Referred Accounts. Contractor shall pursue potential third party liability on all Referred Accounts including those from the EMS Agency. Director on all Referred Accounts, except those from the EMS Agency, agrees to:

(1) Refer to Contractor all unpaid admissions for a referred patient that have occurred prior to the date of service of the account referred that is within the requirements of Title 22 of the California Code of Regulations 50148 and 50197 for retroactive Medi-Cal application

(2) Refer to Contractor for Medi-Cal Fair Hearing and Supplemental Security Income (SSI) cases, supporting admissions and visits information, for prior and subsequent admissions or visits, up to the date of conditional withdrawal or the initial Fair Hearing date, whichever is first; and"

8. Exhibit A, (Statement of Work), Paragraph 6, Services to be Performed by Contractor, Subparagraph "A". (2), shall be amended to read as follows:

"(2) Contractor shall request the necessary information/ documentation needed to pursue eligibility determination

directly from DHS Utilization Review, Medical Records, Patient Financial Services, EMS Agency (for services provided at non-county facilities), etc. At Director's request, Contractor shall provide personnel to assist in retrieving/photocopying such information/documentation as to be provided."

9. Exhibit A, (Statement of Work), Paragraph 6, Services to be Performed by Contractor, Subparagraph G, as found on Page EXA-12 shall be redesignated as Paragraph "H", and a new Paragraph "I", shall be added to read as follows:

"I. Contractor shall pursue full reimbursement for all accounts referred. Contractor shall submit in writing any proposed settlement/account compromise, with amount and reason for compromise, to County for approval prior to acceptance, in accordance with DHS' procedures. Contractor shall negotiate with the third party to ensure that the portion of the settlement between the patient and the third party which is allocated to County is fair and equitable. Contractor shall submit all compromise offers to County only when it has determined that the offered amount is the best offer that can be negotiated. For this purpose, Contractor shall provide County all information/documentation within the time frame specified by Director. If County personnel

are required to attend hearings and/or settlement conferences, Contractor shall notify Director at a minimum of fifteen (15) business days in advance of the hearing/conference date."

10. Exhibit A, (Statement of Work), Paragraph 7, Project Sequence and Timing, shall be revised to read as follows:

Project Sequence and Timing:

"A. Contractor agrees that County may refer accounts to Contractor for those Self-Pay patients who:

(1) Have been denied Medi-Cal by County's Department of Public Social Services ("DPSS"), or DHS, for any one of the following reasons:

a. Failure to provide essential information:

or

b. Excess resources; or

c. California residency; or

(2) Have not initiated Medi-Cal application(s) for the following reasons:

a. Refusal to apply; or

b. California residency; or

c. Lack of contact with County due to discharge/expiration without review; or

(3) Have partial or full unpaid balance.

B. Contractor further agrees County may refer Self-Pay or Short-Doyle accounts to Contractor within the following time frames:

(1) Accounts which have been reviewed by Facility staff and are anticipated to be denied Medi-Cal prior to submission to the DPSS certifier, within fifteen (15) calendar days after Facility's review; or

(2) Accounts which have been denied Medi-Cal after review by DPSS certifier, within fifteen (15) calendar days after that review; or

(3) Inpatient accounts for which no Medi-Cal application was initiated, or within time frames of (15) calendar days of Patient Financial Services final disposition or seventy-five (75) calendar days from discharge, whichever is sooner, for outpatient cases, at the end of the month of service for a clinic visit(s).

C. Contractor further agrees EMS Agency may refer accounts from non-County providers under agreement with County to provide health care services where County has subrogation or reimbursement rights for the medical services provided. These EMS accounts will be referred to Contractor ninety (90) calendar days after payment to provider from EMS Trauma Fund. Contractor shall not retain accounts past the

final disbursement of settlement funds or the expiration of the statute of limitation for the patient to file a claim against the third party. Contractor shall close EMS accounts as they are dispositioned.

D. Contractor shall complete the following activities within the time frames as referenced:

(1) Contractor shall review Referred Accounts for acceptance/rejection and return all Referred Accounts not being pursued, including all supporting documentation, to Director within sixty (60) working days, or at a time frame determined by Director, not to exceed one hundred twenty (120) calendar days, after Contractor initially received the Referred Accounts from County.

(2) Contractor shall immediately return to County any account for which the patient is being represented by another non-profit agency, or the patient is pending Medi-Cal from a County facility. Contractor shall not be entitled to a fee, or commission, for such Returned Accounts.

(3) Contractor shall return all Referred Accounts to Director that are unresolved, including all supporting documentation, within one hundred eighty

(180) calendar days, or within a time frame determined by Director, after Contractor initially received the Referred Accounts from County.

D. Contractor shall submit to the referring Facility a request for approval to pursue billing and collection on such Referred Account, whenever Contractor identifies eligibility for, or coverage by, a Third Party for a Referred Account. The referring Facility shall inform Contractor of approval or denial within five (5) working days of receipt of Contractor's request. Upon the referring Facility's approval, the account can be classified as an Accept Account.

11. The introductory language in Exhibit A, (Statement of Work), Paragraph 8, Access to Information, shall be amended to read as follows:

"County agrees to cooperate with Contractor, in Contractor's Performance of its duties as described in this Exhibit A, (Statement of Work), Paragraph 6, Service to be Performed by Contractor, by providing Contractor with access to financial, medical and/or other operating data which are in County's possession and which are necessary to provide services herein. Contractor may request and be provided with, as allowed under applicable law and to the extent the

information is possessed by County, among other things, the following:"

12. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.,
Director and Chief Medical
Officer

Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
Raymond G. Fortner, Jr.
County Counsel

By _____
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contract and Grants Division

05/02/06
AMENDCD.RM